



# PUBLIC NOTICE

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## WIRELINE COMPETITION BUREAU ANNOUNCES RESULTS OF 2015 URBAN RATE SURVEY FOR FIXED VOICE AND BROADBAND SERVICES AND POSTING OF SURVEY DATA AND EXPLANATORY NOTES

### WC Docket No. 10-90

Today, the Wireline Competition Bureau announces the 2015 rate floor for incumbent eligible telecommunications carriers (ETCs) and the reasonable comparability benchmark for fixed voice and broadband services.<sup>1</sup> In addition, we announce the posting of the fixed voice and broadband services data collected in the most recent urban rate survey, and explanatory notes regarding the data, on the Commission's website at <http://www.fcc.gov/encyclopedia/urban-rate-survey-data>.

Based on the survey results, the 2015 rate floor for voice services is \$21.22,<sup>2</sup> and the reasonable comparability benchmark for voice services is \$47.48.<sup>3</sup> Under the Commission's rules, by July 1, 2015, all ETCs that are incumbent local exchange carrier (ILEC) recipients of high-cost support must report in their annual FCC Form 481 the number of residential service lines for which the sum of the local rate and state fees (as of June 1, 2015) is below \$21.22.<sup>4</sup> To the extent that an ILEC's local rates (plus state regulated fees) in 2015 are less than \$16, that carrier's high-cost support will be reduced on a dollar-for-dollar basis.<sup>5</sup> This is the same \$16 phase-in limit for support reductions as was in effect in 2014. In addition, each ETC, including competitive ETCs providing fixed voice services,<sup>6</sup> must certify in the FCC Form 481 that the pricing of its basic residential voice services is no more than \$47.48.<sup>7</sup>

<sup>1</sup> See *Connect America Fund et al.*, WC Docket No. 10-90 et al., Report and Order and Further Notice of Proposed Rulemaking, 26 FCC Rcd 17663 (2011) (*USF/ICC Transformation Order*), *aff'd sub nom*, *In re: FCC 11-161*, 753 F.3d 1015 (10th Cir. 2014).

<sup>2</sup> The *USF/ICC Transformation Order* defined the average urban rate to include local end-user rates plus state regulated fees (specifically, state subscriber line charges (SLCs), state universal service, and mandatory extended area service charges). *USF/ICC Transformation Order*, 26 FCC Rcd at 17751, para. 238.

<sup>3</sup> *Id.* at 17694, para. 84.

<sup>4</sup> 47 C.F.R. § 54.313(h).

<sup>5</sup> See *Connect America Fund et al.*, WC Docket No. 10-90 et al., Report and Order et al., 29 FCC Rcd 7051, 7077-82, paras. 77-86 (2014) (waiving full impact of local rate floor over a four-year period).

<sup>6</sup> The Bureau has adopted a benchmark only for fixed voice services because "the differences in rate plans and other attributes of fixed and mobile services would make it inordinately difficult to create a unified benchmark" that

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Under the approach adopted by the Bureau in 2014, the reasonable comparability broadband benchmark varies, depending upon the supported service's download and upload bandwidths and usage allowance.<sup>8</sup> The following table provides the 2015 benchmark for the required minimum broadband offering as well as other commonly-provided service offerings:

Download Speed (Mbps)	Upload Speed (Mbps)	Usage Allowance (GB)	Benchmark
10	1	100	\$71.40
10	1	250	\$75.99
10	1	Unlimited	\$77.80
25 <sup>9</sup>	5	250	\$95.08
25 <sup>10</sup>	5	Unlimited	\$96.89

To facilitate benchmark calculations, the Bureau will post an Excel file and online tool in which providers can plug the relevant variables to determine the benchmark for specific service characteristics at <http://www.fcc.gov/encyclopedia/urban-rate-survey-data>.<sup>11</sup>

Recipients of high-cost universal service and/or Connect America Fund support that are subject to broadband performance obligations are required to offer broadband service at rates that are at or below the relevant reasonable comparability benchmark in 2015.<sup>12</sup>

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applied to both fixed and mobile services. *See Connect America Fund*, WC Docket No. 10-90, Order, 28 FCC Rcd 4242, para. 6 (Wireline Comp. Bur. 2014).

<sup>7</sup> 47 C.F.R. § 54.313(a)(10); *see also USF/ICC Transformation Order* at 18046-47, para. 1026. In the *USF/ICC Transformation Order*, the Commission required that as a condition of receiving high-cost support, ETCs must offer voice and broadband services in supported areas at rates that are reasonably comparable to rates for similar services in urban areas. *USF/Transformation Order*, 26 FCC at 17693, 17695, paras. 81, 86.

<sup>8</sup> *Connect America Fund*, WC Docket No. 10-90, Report and Order, 29 FCC Rcd 13485 (Wireline Comp. Bur. 2014).

<sup>9</sup> The 25 Mbps/5 Mbps benchmarks are applicable to those entities authorized to receive funding for category one projects in the Commission's rural broadband experiments. *See Connect America Fund et al.*, WC Docket Nos. 10-90 et al., Report and Order and Further Notice of Proposed Rulemaking, 29 FCC Rcd 8769, 8779, para. 26 (2014).

<sup>10</sup> *Id.*

<sup>11</sup> We note that the Commission raised the minimum speed standard to 10 Mbps downstream and 1 Mbps upstream (10/1 Mbps) in December 2014. *Connect America Fund et al.*, WC Docket Nos. 10-90 et al., Report and Order, 29 FCC Rcd 15644, 15649, para. 15 (2014) (*December 2014 CAF Order*).

<sup>12</sup> ETCs will be required to certify that their rates in 2015 met this benchmark in their annual FCC Form 481, due July 1, 2016, subject to Paperwork Reduction Act approval. *See December 2014 CAF Order*, 29 FCC Rcd at 15686-88, paras. 120-122. The Bureau will issue a public notice when it has obtained Paperwork Reduction Act approval for this certification.